

KAIZEN HOTELS & RESORTS LIMITED

KOLKATA

STATUTORY AUDIT REPORT & ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR 2022-23

DE & BOSE

CHARTERED ACCOUNTANTS
8/2, KIRAN SHANKAR ROY ROAD,
2ND FLOOR, ROOM NO. – 1 & 18,
KOLKATA-700001.



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INDEPENDENT AUDITOR'S REPORT

To the Members of

Kaizen Hotels & Resorts Limited,

Report on the Audit of the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **KAIZEN HOTELS & RESORTS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss, Cash Flow Statement, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information for the year then ended.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023 and its Profit and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

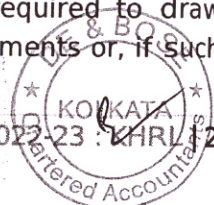
Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such



disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

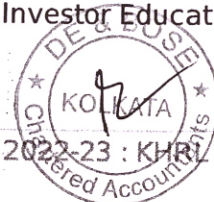
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that:
In our opinion and to the best of our information and according to the explanations given to us, there was no remuneration paid by the Company to its directors during the year. Hence reporting in accordance with the provisions of section 197 of the Act is not required here.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Amendments Rules, 2021, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements in accordance with the generally accepted accounting practice [Refer Note 30 of the Standalone Financial Statements].
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



- iv. [I]. The management has represented that, to the best of its' knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- [II]. The management has represented, that, to the best of its' knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- [III]. In our opinion and to the best of our information we consider reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (I) and (II) contain any material miss-statement.
- v. The preferential dividend proposed for the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable. Further, the Board of Directors of the Company have proposed final dividend to the equity shareholders for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of equity dividend proposed is in accordance with Section 123 of the Act, as applicable.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure-B", a statement on the matters specified in Paragraphs 3 and 4 of the Order.

Place: Kolkata
Date: 24th May, 2023
UDIN: 23069028BGTIWH8733

For DE & BOSE
Chartered Accountants
Firm's Registration No.- 302175E


SOUROV NATH (FCA)
- Partner
Membership No. 069028



"ANNEXURE-A" TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in Paragraph-1(f) under "Report on Other Legal & Regulatory Requirements" section of our report of even date]

Report on the Internal Financial Controls under Clause-i of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **KAIZEN HOTELS & RESORTS LIMITED** ("the Company") as of 31st March, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed u/s 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that,



1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

Place: Kolkata

Date: 24th May, 2023

UDIN: 23069028BGTIWH8733

For DE & BOSE

Chartered Accountants

Firm's Registration No.- 302175E



SOUROV NATH (FCA)

- Partner

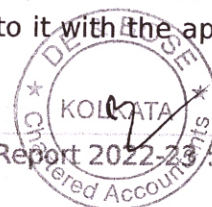
Membership No. 069028



"ANNEXURE-B" TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in Paragraph-2 under "Report on Other Legal & Regulatory Requirements" section of our report of even date]

1. In respect of Property, Plant & Equipments:
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of its "Property, Plant & Equipments". The company has also maintained proper records showing full particulars of intangible assets.
 - b. As explained to us, the "Property, Plant & Equipments" have been physically verified by the management in a phased manner which in our opinion is reasonable considering the size of the company and nature of the assets. No material discrepancies were noticed on such verification.
 - c. The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are properly disclosed in the financial statements and are held in the name of the company.
 - d. The company has not revalued its "Property, Plant & Equipment" (including Right of Use assets) or intangible assets during the year.
 - e. There is no proceeding has been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
2. In respect of Inventories:
 - a. As informed to us, the inventory of foods and beverages has been physically verified by the management at regular intervals during the year. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
 - b. The company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during any point of time of the year.
3. The company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties during the year. Hence reporting under this clause is not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. The Company has not accepted any deposits under the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under. Therefore, reporting under Clause 3(v) of the Order are not applicable to the Company.
6. The Central Government has not prescribed maintenance of cost records under sub-Section (1) of Section 148 of the Companies Act, 2013, to the Company.
7. In respect of Statutory Dues:
 - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods & Service Tax, Custom Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.



- b. Based on the audit procedures performed and the information and explanations given to us, there were no undisputed amount payable in respect of Income Tax, Goods & Service Tax, Custom Duty, Cess and other material statutory dues in arrear as on 31st March, 2023 for a period of more than six months from the date they became payable.
- c. Following are the disputed statutory dues as at 31st March, 2023 which have not been deposited on account of matters pending before appropriate authorities,

Name of the Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which the dispute relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	9.61	FY: 2015-16	Appellate Tribunal (CESTAT)
CGST Act, 2017 and WBGST Act, 2017	Goods & Service Tax	16.10	FY: 2017-18	Asst. Commissioner (GST-Durgapur)

8. There was no transactions required to be recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
9. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that:
- The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
 - The company has not been declared wilful defaulter by any bank or financial institution or other lender.
 - The term loans were applied for the purpose for which the loans were obtained.
 - There is no funds raised on short term basis have been utilised for long term purposes.
 - The company does not have any subsidiaries, associates or joint ventures and therefore reporting under this sub-clause (e) and (f) of Clause 3(ix) of the Order are not being applicable here.
10. The Company has not raised any funds by way of initial public offer or further public offer (including debt instruments) and hence reporting under Clause 3(x) of the Order is not applicable to the Company.
11. During the course of our examination of books and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any incidence of fraud by the company or any fraud on the Company by its officers or employees nor have we been informed of any such case by the management.
12. The Company is not a "Nidhi Company" hence reporting under this clause of the Order is not applicable to the Company.
13. In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. In respect of Internal Audit:
- The company has an internal audit system commensurate with the size and nature of its business.

- b. The reports of the Internal Auditors for the period under audit were considered by the statutory auditor.
15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him/her and the provisions of Section 192 of Companies Act, 2013 have been complied with in this regard.
16. According to the information and explanations given to us, we are of the opinion that the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
17. The company has not incurred cash losses in the financial year but incurred so in the immediately preceding financial year.
18. There was no resignation of the statutory auditors during the year, hence reporting under this clause is not applicable.
19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
20. The company has no unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act in respect of other than ongoing projects.

Place: Kolkata
Date: 24th May, 2023
UDIN: 23069028BGTIWH8733

For DE & BOSE
Chartered Accountants
Firm's Registration No.- 302175E


SOUROV NATH (FCA)
- Partner
Membership No. 069028



KAIZEN HOTELS & RESORTS LIMITED
BALANCE SHEET AS ON 31ST MARCH, 2023

BALANCE SHEET AS ON 31ST MARCH, 2023

PARTICULARS	NOTE	AMOUNT (Rs. In Lakhs)	
		As on 31/03/2023	As on 31/03/2022
EQUITY AND LIABILITIES:			
A. Shareholders' Funds			
(a) Share Capital	2	584.62	584.62
(b) Reserves and Surplus	3	1,258.75	1,181.69
		1,843.37	1,766.31
B. Non-current Liabilities			
(a) Long Term Borrowings	4	54.71	87.86
(b) Deferred Tax Liabilities (Net)	13	20.98	6.96
(c) Long Term Provisions	5	5.32	11.75
		81.01	106.57
C. Current Liabilities			
(a) Short Term Borrowings	6	61.62	307.16
(b) Trade Payables	7	-	-
- Micro, Small and Medium Enterprises		-	-
- Others		104.73	59.68
(c) Other Current Liabilities	8	84.33	70.18
(d) Short Term Provisions	9	17.75	18.24
		268.43	455.26
TOTAL -		2,192.81	2,328.14
ASSETS:			
A. Non-current Assets			
(a) Property, Plant & Equipments and			
i. Tangible Assets	10	1,588.85	1,708.25
ii. Intangible Assets	11	3.04	1.06
iii. Capital Work-in-Progress	27	13.13	10.13
(b) Non-current Investments	12	30.40	30.40
(c) Deferred Tax Assets (Net)	13	-	-
(d) Long Term Loans & Advances	14	46.59	119.30
(e) Other Non Current Assets	15	21.63	21.46
		1,703.64	1,890.60
B. Current Assets			
(a) Inventories	16	12.43	5.26
(b) Trade Receivables	17	75.80	72.91
(c) Cash and Cash Equivalent	18	274.17	305.55
(d) Short Term Loans & Advances	19	118.12	39.43
(e) Other Current Assets	20	8.65	14.39
		489.17	437.54
TOTAL		2,192.81	2,328.14

Significant Accounting Policies
Notes forming integral part of the Financial Statements
1
2 to 37
In terms of our Report of even date
FOR DE & BOSE

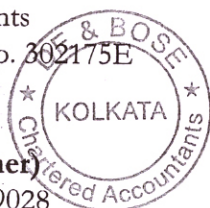
Chartered Accountants

Firm Registration No. 302175E


Sourav Nath (Partner)

Membership No. 069028

Date: 24/05/2023

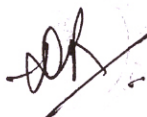
Place: Kolkata

For and on behalf of the Board of Directors

Prabal Basu

Director (DIN: 06414341)


Debasree Roy

Director (DIN: 00022218)



KAIZEN HOTELS & RESORTS LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

PARTICULARS	NOTE	AMOUNT (Rs. In Lakhs)	
		For the FY 2022-23	For the FY 2021-22
Incomes:			
Revenue from Operations	21	1,241.79	1,023.59
Other Income	22	29.05	128.57
Total Incomes -		1,270.84	1,152.16
Less: Expenses			
Consumption of Provisions, Stores and Wines	23	143.40	140.79
Employee Benefit Expenses	24	328.81	281.07
Finance Cost	25	25.10	55.27
Depreciation and Amortization Expenses	10 & 11	133.24	164.69
Other Expenses	26	465.00	345.23
		1,095.55	987.05
Profit/(Loss) before Tax and Exceptional & Extra-Ordinary Items (I-II)-		175.29	165.11
Less: Exceptional Items		-	-
Profit/(Loss) before Tax and Extraordinary Items-		175.29	165.11
Less: Extra-ordinary Items		-	-
Profit/(Loss) before Tax-		175.29	165.11
Less: Tax Expenses			
(a) Current tax		29.27	26.47
(-) MAT Credit Entitlement/(Utilisation)		6.76	25.76
		22.51	0.71
(b) Earlier Year Adjustment		5.44	-
(c) Deferred Tax		14.02	14.45
		41.97	15.16
Profit/(Loss) After Tax -		133.32	149.95
Earnings per Share:			
- Basic	27	72.21	81.22
- Diluted	27	72.21	81.22

Significant Accounting Policies
1
Notes forming integral part of the Financial Statements
2 to 37
In terms of our Report of even date
For and on behalf of the Board of Directors
FOR DE & BOSE

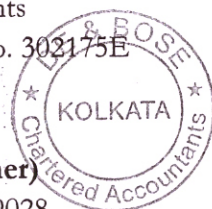
Chartered Accountants

Firm Registration No. 302175E

Sourov Nath (Partner)

Membership No. 069028

Date: 24/05/2023

Place: Kolkata

Prabal Basu

Director (DIN: 06414341)

Debasree Roy

Director (DIN: 00022218)



KAIZEN HOTELS & RESORTS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH, 2023

PARTICULARS	AMOUNT (Rs. In Lakhs)	
	For the FY 2022-23	For the FY 2021-22
A. Cash Flow from Operating Activities:		
Net Profit before Tax	175.29	165.11
+ / (-): Adjustments for Non-cash Items		
- Depreciation/Amortisation for the Year	133.24	164.69
- Loss/(Profit) on sale of Fixed Assets (Net)	(0.29)	-
- Not-trade Interest Income	(8.41)	(8.27)
- Interest Expenses	25.10	55.27
- Liabilities no Longer Required Written Back	(1.68)	(0.03)
- Provision made for Employee Benefits	(6.52)	(18.03)
- Dividend Income from Investments	(18.00)	(120.00)
Cash generated before Working Capital changes	298.73	238.74
+ / (-): Movement in Working Capital		
- Increase/(decrease) in Trade and Other Payables	59.47	(12.48)
- Decrease/(increase) in Trade and Other Receivables	(2.88)	(8.75)
- Decrease/(increase) in Inventories	(7.17)	0.41
Cash generated after Working Capital changes	348.15	217.92
Less: Income Tax Paid/(Refund)	63.25	0.49
Net Cash generated from/(used in) Operating Activities -	284.90	217.43
B. Cash Flow from Investing Activities:		
Addition in Property, Plant & Equipments and CWIF	(19.79)	(12.35)
Sale of Property, Plant & Equipments	1.00	-
Realisation/(Payment) of Capital Advance	34.88	81.67
Non-trade Interest Received	8.41	8.27
Dividend Received	18.00	120.00
Net Cash generated from/(used in) Investing Activities -	42.50	197.59
C. Cash Flow from Financing Activities:		
Proceeds from Borrowings	-	62.00
Repayment of Borrowings	(278.69)	(336.42)
Interest paid on Borrowings	(24.09)	(57.96)
Dividend paid on Eq/Pf. Shares including Tax thereon	(56.00)	-
Net Cash generated from/(used in) Investing Activities -	(358.78)	(332.38)
Cash & Cash Equivalents at the beginning of the year	305.55	222.91
Net Increase/(Decrease) In Cash & Cash Equivalents(A+B+C)	(31.38)	82.64
Cash & Cash Equivalents at the end of the year	274.17	305.55
Components of Cash & Cash Equivalents:		
Balances with Bank - in Current A/c	86.33	40.83
- in Deposit A/c	186.86	261.69
Cheques in Hand	-	1.90
Cash in Hand	0.98	1.13
Total Cash & Cash Equivalents -	274.17	305.55

In terms of our Report of even date

FOR **DE & BOSE**

Chartered Accountants

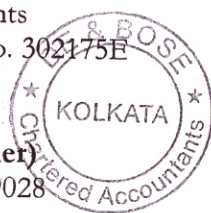
Firm Registration No. 302175E

Sourov Nath (Partner)

Membership No. 069028

Date: 24/05/2023

Place: Kolkata



For and on behalf of the Board of Directors

Prabal Basu

Prabal Basu

Director (DIN: 06414341)

Debasree Roy

Debasree Roy

Director (DIN: 00022218)



1. SIGNIFICANT ACCOUNTING POLICIES

(a). Basis of Accounting:

Financial statements have been prepared on historical cost basis and on the principle of a going concern. The company follows mercantile system of accounting unless stated otherwise. The financial statements have been prepared in accordance with the Revised Schedule III of the Companies Act, 2013 and accounting standards notified vide Companies (Accounting Standards) Rules, 2006.

(b). Use of Estimates:

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. Actual results may differ from those estimates and these are recognized in the year in which results become known/materialize.

(c). Revenue:

Revenue comprises of sale of Room, Food & Beverages and related allied services. Discount allowed on sale of room has been deducted from gross proceeds.

(d). Property, Plant & Equipments:

- i). Tangible Property, Plant & Equipments are stated at cost of acquisition, construction and subsequent improvements thereto. Cost includes taxes, duties (net of CENVAT availed), inward freight, installation expenses and adjustments for exchange difference wherever applicable.
- ii). Intangible Property, Plant & Equipments like Software, etc are capitalised at the cost of acquisition less accumulated amortised amount.
- iii). Pending completion/installation of the Property, Plant & Equipments, pre-operative expenses, cost of plant, machineries and equipments to be installed, construction and erection material, and other cost thereof are capitalized and shown under Capital Work in Progress. For major projects, interest and other costs incurred for financing the same are also capitalised.

(e). Depreciation & Amortisation:

- i). (Depreciation has been charged on written down method as per Schedule-II of the Companies Act, 2013. No amortization is provided for in respect of Leasehold Land taken on perpetual lease of 99 years.
- ii). Intangible Assets are amortised over a period of five years or in a lesser period if useful life is lower than five years on straight-line basis unless technical evaluation recommends otherwise.
- iii). Assets whose original cost does not exceed Rs. 5000 are depreciated fully in the year of acquisition.

(f). Impairments:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

(g). Investments:

Non-current investments are stated at cost less diminution in the values thereof, other than temporary. Current Investments are stated at Cost or Fair Value whichever is lower.



KAIZEN HOTELS & RESORTS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(h). Inventories:

Inventory of Raw Materials is stated at cost. Inventory of food and beverages is valued at lower of cost or net realisable value. Cost of Inventory is valued on FIFO basis.

(i). Government Grants:

Government grants are recognised when there is reasonable assurance that the grant will be received upon the Company complying with the conditions attached to the grant. Accordingly:

- i). Government Grants related to or used for depreciable assets, are credited as 'Government Subsidy' and reported under Reserve & Surplus, as there is usually no charge to income in respect of such assets. This is get to amortized at the same rate over the useful lives of the very assets acquired utilizing the grant/subsidy. The assets are recognized at its full value and depreciated as per usual policy of the Company.
- ii). Government Grants related to incurring specific expenditures are taken to the Statement of Profit & Loss on the same basis and in the same periods as the expenditures incurred.
- iii). Government Grants by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

(j). Borrowing Cost:

Borrowing costs incurred in relation to the acquisition, construction of qualifying assets are capitalised as the part of the cost of such assets up to the date when such assets are ready for intended use. Other borrowing costs are charged as an expense in the year in which these are incurred.

(k). Employee Benefit Expense:

The Company has Defined Contribution Plan for its employees Retirement Benefits comprising of Provident Fund, Pension Fund. The Company makes regular contribution to Provident Fund, which are fully funded and administered by the Government. Contributions are recognized in Statement of Profit and Loss on accrual basis.

The Company has Defined Benefit Plan comprising of Gratuity and Leave Encashment schemes. The Company contributes to the Gratuity Fund under the Group Gratuity Cash Accumulation Scheme with Life Insurance Corporation (LIC) for future payment of gratuity liability to its employees. In terms of Accounting Standard 15 (AS-15) on "Employee Benefits", the liability for the Gratuity and Leave Encashment as at the year-end has been provided on the basis of an independent actuarial valuation in accordance with the projected unit credit method. Actuarial gain and losses are recognized in the year when they arise.

(l). Income Tax:

Provision for Income Tax is made for current and deferred tax. Current tax is provided on taxable income using the applicable tax rate and tax laws. Deferred Tax Assets and Liabilities arising on account of timing differences and which are capable of reversals in subsequent periods are recognized using the tax rates and tax laws that have been enacted or substantively enacted.

(m). Provisions and Contingencies:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events, and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent Assets are neither recognized nor disclosed in the financial statement. Contingent liabilities are not provided for and are disclosed by way of notes.



KAIZEN HOTELS & RESORTS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
2. SHARE CAPITAL

Particulars	As on 31/03/2023		As on 31/03/2022	
	No. of Shares	Amount (Rs. In Lakhs)	No. of Shares	Amount (Rs. In Lakhs)
AUTHORISED SHARES:				
Equity Shares @ 100/- each	5,00,000	500.00	5,00,000	500.00
Preference Share @100/- each	7,00,000	700.00	7,00,000	700.00
Totals -	12,00,000	1,200.00	12,00,000	1,200.00
ISSUED, SUBCRIBED AND PAID UP SHARES:				
Equity Shares @ 100/- each fully paid up	1,84,617	184.62	1,84,617	184.62
7% Cumulative Non-Convertible Preference Shares @ 100/- each fully paid up	4,00,000	400.00	4,00,000	400.00
TOTALS -	5,84,617	584.62	5,84,617	584.62

2.1. Right, Preferences and Restrictions attached to the Equity Shares:

The Equity Shares of the Company, having par value of Rs. 100/- per share, rank pari passu in all respects including voting rights and entitlement to dividend. In the event of liquidation, the equity shareholders are eligible to receive the assets of the company remaining after distribution of all preferential amounts, in proportion to their shareholding.

2.2. Reconciliation of No. of Shares outstanding at the beginning and at the end of the Year:

Particulars	Equity Share during		Preference Share during	
	2022-23	2021-22	2022-23	2021-22
Number of Shares at the beginning of the Year -	1,84,617	1,84,617	4,00,000	4,00,000
Add: No. of Shares issued during the year	-	-	-	-
Number of shares at the end of the Year -	1,84,617	1,84,617	4,00,000	4,00,000

2.3. Details of the Equity Shareholders holding more than 5% Shares:

Sl. No.	Name of Shareholder	As on 31/03/2023		As on 31/03/2022	
		No. of Shares	% of Holding	No. of Shares	% of Holding
(1).	Shikha Holding Pvt. Ltd.	64,944	35.18%	64,944	35.18%
(2).	Bichitra Holding Pvt. Ltd.	58,311	31.58%	58,311	31.58%
(3).	Sunil Kanti Roy*	20,844	11.29%	20,844	11.29%
(4).	Jayanta Roy	16,430	8.90%	16,430	8.90%
(5).	Debasree Roy	16,783	9.09%	16,783	9.09%

2.4. Details of the Preference Shareholders holding more than 5% Shares:

Sl. No.	Name of Shareholder	As on 31/03/2023		As on 31/03/2022	
		No. of Shares	% of Holding	No. of Shares	% of Holding
(1).	Shikha Holding Pvt. Ltd.	1,40,750	35.19%	1,40,750	35.19%
(2).	Bichitra Holding Pvt. Ltd.	1,26,340	31.59%	1,26,340	31.59%
(3).	Sunil Kanti Roy*	45,160	11.29%	45,160	11.29%
(4).	Jayanta Roy	35,600	8.90%	35,600	8.90%
(5).	Debasree Roy	36,360	9.09%	36,360	9.09%



KAIZEN HOTELS & RESORTS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
2.5. Changes in Promoter's holding of Equity Shares at end of the year:

Sl. No.	Name of Promoters	As on 31/03/2023			As on 31/03/2022	
		No. of Shares	Holding %	% of Change	No. of Shares	Holding %
(1).	Shikha Holding Pvt. Ltd.	64,944	35.18%	0.00%	64,944	35.18%
(2).	Bichitra Holding Pvt. Ltd.	58,311	31.58%	0.00%	58,311	31.58%
(3).	Sunil Kanti Roy*	20,844	11.29%	0.00%	20,844	11.29%
(4).	Jayanta Roy	16,430	8.90%	0.00%	16,430	8.90%
(5).	Debasree Roy	16,783	9.09%	0.00%	16,783	9.09%
TOTAL -		1,77,312	96.04%	--	1,77,312	96.04%

2.6. Changes in Promoter's holding of Preference Shares at end of the year:

Sl. No.	Name of Promoters	As on 31/03/2023			As on 31/03/2022	
		No. of Shares	Holding %	% of Change	No. of Shares	Holding %
(1).	Shikha Holding Pvt. Ltd.	1,40,750	35.19%	0.00%	1,40,750	35.19%
(2).	Bichitra Holding Pvt. Ltd.	1,26,340	31.59%	0.00%	1,26,340	31.59%
(3).	Sunil Kanti Roy*	45,160	11.29%	0.00%	45,160	11.29%
(4).	Jayanta Roy	35,600	8.90%	0.00%	35,600	8.90%
(5).	Debasree Roy	36,360	9.09%	0.00%	36,360	9.09%
TOTAL -		3,84,210	96.05%	--	3,84,210	96.05%

* Sunil Kanti Roy had passed away on 08/05/2022. The shares under his name are yet to be transferred.

3. RESERVES AND SURPLUS

Particulars	Amount Rs. In Lakhs	
	As on 31/03/2023	As on 31/03/2022
A. CAPITAL RESERVE		
Opening Balance	8.13	8.13
Add: Addition during the year	-	8.13
B. SECURITIES PREMIUM ACCOUNT		
Opening Balance	83.41	83.41
Add : Addition during the year	-	83.41
C. GENERAL RESERVE		
Opening Balance	601.41	601.41
Add : Addition from Surplus during the year	-	601.41
D. GOVERNMENT SUBSIDY		
Opening Balance	5.13	5.40
Less: Adjustment against Depreciation* [Ref. Note 10.1]	0.26	0.27
E. SURPLUS		
Opening Balance	483.61	333.66
Add: Profit/(Loss) after Tax for the Year	133.32	149.95
Amount Available for Appropriation	616.93	483.61
Less: Appropriations		
- Transferred to General Reserve	-	-
- Equity Dividend Paid	-	-
- Preferential Dividend Paid	56.00	-
TOTAL -	1,258.75	1,181.69

* Depreciation adjusted against 'Government Subsidy' relates to Building and Plant & Machinery against which Government Subsidy was received prior to 1999.



4. LONG TERM BORROWINGS

Particulars	Amount Rs. In Lakhs			
	As on 31/03/2023		As on 31/03/2022	
	Current	Non-Current	Current	Non-Current
Secured Loans:				
Term Loans from Allahabad Bank	61.62	54.71	147.16	87.86
Unsecured Loans:				
From Related Corporate Bodies	-	-	160.00	-
TOTAL -	61.62	54.71	307.16	87.86

4.1. Term Loan from Bank Secured against equitable mortgage of land and building (both old and new) at Saheed Khudiram Sarani, Durgapur.

4.2. The Company had borrowed amounts (Term Loans) from Indian Bank in last year on the basis of collateral security of current assets like Receivables and Inventories. The periodical statements that have been submitted to the Bank for this purpose are in agreement with the books of accounts.

4.3. Interest rate for the Term Loans with the Bank as on 31st March, 2023 are at floating rate as below:

- Term Loan	= Repo+2.90% i.e. 9.40%
- 1st WC Term Loan under "IND GECLS COVID 19"	= Repo+2.75% i.e. 9.25%
- 2nd WC Term Loan under "IND GECLS COVID 19"	= Repo+2.75% i.e. 9.25%

4.4. Repayment schedule of Loan from Banks and Others are as follows (Rs. In Lakhs)

- One to Two Year (i.e. FY 2024-25)	= 15.12
- Two to Three Year (i.e. FY 2025-26)	= 14.85
- Beyond Three Years (i.e. FY 2026-27 and onwards)	= 24.74

4.5. UTILISATION OF BORROWED FUNDS

The Company has received no new Loan during the current financial year. The Company has utilised its existing borrowed funds solely for its' operational use during the current financial year.

4.6. The Company has not been declared as 'wilful defaulter' ever by any bank or financial institution or other lender.

5. LONG TERM PROVISIONS

Particulars	Amount Rs. In Lakhs	
	As on 31/03/2023	As on 31/03/2022
Provision for Employee Benefits		
- Gratuity	-	-
- Compensated Absence	5.32	11.75
TOTAL -	5.32	11.75

6. SHORT TERM BORROWINGS

Particulars	Amount Rs. In Lakhs	
	As on 31/03/2023	As on 31/03/2022
Current Maturities of Long Term Borrowings [Ref. Note 4]	61.62	307.16
TOTAL -	61.62	307.16



KAIZEN HOTELS & RESORTS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

7. TRADE PAYABLES

(Amount Rs. in Lakhs)

PARTICULARS	Outstanding for Following Periods from Due Date of Payment				
	Less than 1 yr	1-2 Years	2-3 Years	More than 3 yr	Total
As on 31/03/2023					
MSME	-	-	-	-	-
MSME (Disputed)	-	-	-	-	-
Others	102.87	1.00	0.04	0.82	104.73
Others (Disputed)	-	-	-	-	-
TOTALS -	102.87	1.00	0.04	0.82	104.73
As on 31/03/2022					
MSME	-	-	-	-	-
MSME (Disputed)	-	-	-	-	-
Others	57.31	0.06	0.01	2.30	59.68
Others (Disputed)	-	-	-	-	-
TOTALS -	57.31	0.06	0.01	2.30	59.68

7.1. The Disclosure of Trade payables is based on the best of information available with the company regarding the status of the Suppliers as defined under "The Micro, Small and Medium Enterprises Development Act, 2006" (the Act). There was no delay in payment made to such suppliers during the year.

8. OTHER CURRENT LIABILITIES

Particulars	Amount Rs. In Lakhs	
	As on 31/03/2023	As on 31/03/2022
Liability for Project	1.64	1.64
Interest Payable on Borrowings	3.93	2.92
Advance from Customers	4.14	3.72
Retention Money	9.21	10.59
Other Payables		
- Due to Employees	44.71	34.75
- Statutory Dues	20.70	16.56
TOTAL -	84.33	70.18

9. SHORT TERM PROVISIONS

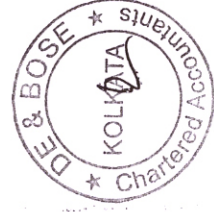
Particulars	Amount Rs. In Lakhs	
	As on 31/03/2023	As on 31/03/2022
Provision for Employee Benefits		
- Gratuity	4.06	6.83
- Compensated Absence	3.91	1.22
- Bonus and Exgratia	9.78	10.19
TOTAL -	17.75	18.24



KAIZEN HOTELS & RESORTS LIMITED

10. PROPERTY, PLANT & EQUIPMENTS **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

PARTICULARS	Freehold Land		Leasehold Land		Building		Plant & Machinery		Electrical Installation		Vehicles		Computer Hardware		Furniture & Equipment		Office Equipment & Artefacts		TOTAL
	Indefinite	4.99	Indefinite	69.31	60 Yrs.	8 Yrs.	10 Yrs.	8 Yrs.	3 Yrs.	8 Yrs.	5 Yrs.	Indefinite	3 Yrs.	8 Yrs.	5 Yrs.	Indefinite	3 Yrs.	8 Yrs.	
Expected Life of Assets -																			
Gross Block as on 31/03/2021 -																			
Add: Addition during the year																			
Less Disposal during the year																			
Gross Block as on 31/03/2022 -																			
Add: Addition during the year																			
Less Disposal during the year																			
A. Gross Block as on 31/03/2023 -	4.99	69.31	1,990.64	783.22	303.73	32.67	32.13	427.09	28.47	1.15	3,673.40	8.63	3,682.03	13.89	(11.25)	3,684.67	1,810.17	163.61	
Accu. Dep. as on 01/04/2021 -																			
Add: Depreciation charge																			
Less Reversal on disposal of assets																			
Accu. Dep. as on 31/03/2022 -																			
Add: Depreciation charge																			
Less Reversal on disposal of assets																			
B. Accu. Dep. as on 31/03/2023 -	4.99	69.31	1,385.56	66.69	91.97	3.62	2.12	79.87	2.97	1.15	1,708.25	1.588.85	1,588.85	1.588.85	1.588.85	1.588.85	1.588.85	1.588.85	
Net Block as on 31/03/2022 [A-B] -																			
Net Block as on 31/03/2023 [A-B] -																			
10.1. Out of current year's depreciation Rs. 0.26 Lakhs (Previous Year Rs. 0.27 Lakhs) has been adjusted with Govt. Subsidy.																			
10.2. The title deed for the Land & Building as mentioned above is in the name of the Company.																			
10.3. There was no revaluation done by the Company for the above items of Property, Plant & Equipments.																			



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KAIZEN HOTELS & RESORTS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
11. INTANGIBLE ASSETS

Particulars	Amount Rs. In Lakhs	
	2022-23	2021-22
Gross Block at the beginning of the year	18.26	18.26
Add: Addition during the year	2.90	-
Less: Disposal during the year	(1.45)	-
A. Gross Block at the end of the year -	19.71	18.26
Accumulated Amortisation at the beginning of the year	17.20	15.85
Add: Amortisation charge	0.92	1.35
Less: Reversal on disposal of assets	(1.45)	-
B. Accumulated Amortisation at the end of the year -	16.67	17.20
Net Block at the end of the year [A-B] -	3.04	1.06

12. NON-CURRENT INVESTMENTS

Particulars	As on 31/03/2023		As on 31/03/2022	
	No. of Shares	Amount (Rs. In Lakhs)	No. of Shares	Amount (Rs. In Lakhs)
OTHER THAN TRADE (Valued at Cost, unless stated otherwise)				
A. Quoted Shares*				
Shyama Infosys Limited (Face Value @ 10/- each)	2,700	0.20	2,700	0.20
Less: Provision for diminution in the value of Investment	0	0.18	0	0.18
	2,700	0.02	2,700	0.02
B. Unquoted Shares				
Kaizen Leisure & Holidays Limited (Face Value @ 10/- each)	3,000	0.30	3,000	0.30
The Peerless General Finance & Investment Co. Ltd. (Face Value @ 100/- each)	60,000	30.08	60,000	30.08
TOTAL -	65,700	30.40	65,700	30.40
* Market Value of Quoted Investments -	Not Available		Not Available	

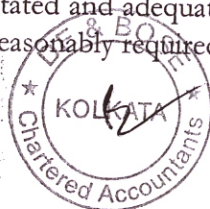
13. DEFERRED TAX ASSETS/(LIABILITIES)

Particulars	Amount Rs. In Lakhs		
	As on 31/03/2023	(Charge)/ Reversal	As on 31/03/2022
On Depreciation and Amortisation	(24.48)	(12.32)	(12.16)
On Gratuity	1.05	(0.73)	1.78
On Leave Encashment	2.40	(0.97)	3.37
On Diminution in Investment Value	0.05	-	0.05
NET DEFERRED TAX (LIABILITIES)/ASSETS -	(20.98)	(14.02)	(6.96)

14. LONG TERM LOANS & ADVANCES

Particulars	Amount Rs. In Lakhs	
	As on 31/03/2023	As on 31/03/2022
MAT Credit Entitlement	44.02	35.46
Capital Advance	-	83.25
Prepaid Expenses (to be settled after one year from the date of closure of A/c)	2.57	0.59
TOTAL -	46.59	119.30

14.1. In the opinion of the management, loans and advances have the value at which these are stated in the balance sheet, unless otherwise stated and adequate provision for all known liabilities have been made and are not in excess of the amount reasonably required.



KAIZEN HOTELS & RESORTS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
15. OTHER NON CURRENT ASSETS

Particulars	Amount Rs. In Lakhs	
	As on 31/03/2023	As on 31/03/2022
Security Deposit (Unsecured & Considered Good)	21.63	21.46
TOTAL -	21.63	21.46

16. INVENTORIES

Particulars	Amount Rs. In Lakhs	
	As on 31/03/2023	As on 31/03/2022
Provisions, Beverages and Smokes	7.11	1.63
Wine and Liquor	5.32	3.63
TOTAL -	12.43	5.26

17. TRADE RECEIVABLES
(Amount Rs. in Lakhs)

PARTICULARS	Outstanding for Following Periods from Due Date of Payment					Total
	Less than 6 mth	6 mth-1 yr	1-2 Years	2-3 Years	More than 3 yr	
As on 31/03/2023						
Undisputed and considered						
- Good	74.75	0.63	0.40	0.02	-	75.80
- Doubtful	-	-	-	-	-	-
Disputed and considered						
- Good	-	-	-	-	-	-
- Doubtful	-	-	-	-	-	-
TOTALS -	74.75	0.63	0.40	0.02	-	75.80
As on 31/03/2022						
Undisputed and considered						
- Good	65.86	7.03	0.02	-	-	72.91
- Doubtful	-	-	-	-	-	-
Disputed and considered						
- Good	-	-	-	-	-	-
- Doubtful	-	-	-	-	-	-
TOTALS -	65.86	7.03	0.02	-	-	72.91

18. CASH AND CASH EQUIVALENTS

Particulars	Amount Rs. In Lakhs	
	As on 31/03/2023	As on 31/03/2022
Balances with Bank		
- Current Account	86.33	40.83
- Fixed Deposit (including Interest Accrued thereon) with maturity less than 3 months	186.86	249.41
Cheques in Hand	-	1.90
Cash in Hand	0.98	1.13
Other Bank Balances		
- Fixed Deposit (including Interest Accrued thereon) with maturity between 3-12 mnths*	-	12.28
TOTAL -	274.17	305.55

* Represents Rs. NIL is under Lien. Previous Year balance was Rs. 12.28 Lakhs.



KAIZEN HOTELS & RESORTS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
19. SHORT TERM LOANS & ADVANCES

Particulars	Amount Rs. In Lakhs	
	As on 31/03/2023	As on 31/03/2022
Capital Advance	48.37	-
Advance to Employees	0.32	0.59
Advance to Suppliers (Unsecured & Considered Good)	5.25	2.26
Advance Income Tax including TDS/TCS Credit (Net of Provision)	44.93	18.19
Prepaid Expenses	19.25	18.39
TOTAL -	118.12	39.43

19.1. In the opinion of the management, loans & advances have the value at which these are stated in the balance sheet, unless otherwise stated and adequate provision for all known liabilities have been made and are not in excess of the amount reasonably required.

20. OTHER CURRENT ASSETS

Particulars	Amount Rs. In Lakhs	
	As on 31/03/2023	As on 31/03/2022
Security Deposit (Unsecured & Considered Good)	2.52	0.13
Balance with Revenue Authority	6.13	14.26
TOTAL -	8.65	14.39

21. REVENUE FROM OPERATIONS

Particulars	Amount Rs. In Lakhs	
	2022-23	2021-22
Rooms Sale	680.31	530.99
Food and Beverage	481.86	428.05
Wine and Liquor	23.43	24.64
Other Services	56.19	39.91
TOTAL -	1,241.79	1,023.59

22. OTHER INCOME

Particulars	Amount Rs. In Lakhs	
	2022-23	2021-22
Interest Income		
- From Fixed Deposits	8.01	5.79
- From Revenue Authority (on Tax Refunds)	0.40	2.48
Dividend Income from Non-trade Investment	18.00	120.00
Liabilities no Longer Required Written Back	1.68	0.03
Profit on Sale of Fixed Assets	0.29	-
Others	0.67	0.27
TOTAL -	29.05	128.57

23. CONSUMPTION OF PROVISIONS, STORES AND WINES

(Amount Rs. in Lakhs)

Particulars	For the FY 2022-23			For the FY 2021-22		
	Provisions, Beverages and Smokes	Wine and Liquor	Total	Provisions, Beverages and Smokes	Wine and Liquor	Total
Opening Stock	1.63	3.63	5.26	1.86	3.81	5.67
Add: Purchases during the year	142.31	8.26	150.57	130.98	9.40	140.38
Less: Closing Stock	(7.11)	(5.32)	(12.43)	(1.63)	(3.63)	(5.26)
CONSUMPTIONS -	136.83	6.57	143.40	131.21	9.58	140.79



24. EMPLOYEE BENEFIT EXPENSES

Particulars	Amount Rs. In Lakhs	
	2022-23	2021-22
Salaries and Other Allowances	271.72	230.26
Contribution to P.F, Gratuity and Other Funds	25.38	28.03
Staff Welfare Expenses	31.71	22.78
TOTAL -	328.81	281.07

24.1. The disclosures as per the Accounting Standard 15 (AS-15) notified vide Companies (Accounting Standards) Rules, 2006 on "Employee Benefits" are given as below:

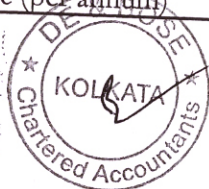
(a). Defined Contribution Plan:

Particulars	Amount Rs. In Lakhs	
	2022-23	2021-22
Employer's Contribution to Provident Fund	6.85	6.53
Employer's Contribution to Pension Fund	15.48	14.77
Employer's Contribution to ESI Scheme	5.82	5.34

(b). Defined Benefit Scheme (Gratuity-Funded):

The Employee's gratuity scheme is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employees benefits entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment are recognised in the same manner as gratuity.

Particulars	Amount Rs. In Lakhs	
	2022-23	2021-22
A. Change in Defined Benefit Obligations :		
Present Value of Defined Benefit Obligations as at the beginning of the year	89.48	91.49
Add: Current Service Cost	4.52	5.99
Add: Interest Cost	6.36	6.31
Less: Benefits Paid	(14.67)	(7.47)
Less: Actuarial (Gain)/Loss	(8.48)	(6.84)
Present Value of Defined Benefit Obligations as at the end of the year	77.21	89.48
B. Change in the Fair Value of Assets:		
Fair Value of Plan Assets at the beginning of the year	82.65	68.51
Add: Expected Return on Plan Assets	5.35	5.07
Add: Contributions by the Employer	-	17.53
Less: Benefits paid	(14.67)	(7.47)
Less: Actuarial Gain/(Loss)	(0.18)	(0.99)
Fair value of Plan Assets at the end of the year	73.15	82.65
C. Reconciliation of Present value of Defined Benefit Obligation and the Fair Value of Assets:		
Present Value of Defined Benefit Obligations as at the end of the year	77.21	89.48
Fair Value of Plan Assets at the end of the year	73.15	82.65
(Liability)/Assets recognized in the Balance Sheet	(4.06)	(6.83)
D. Expenses recognized in the Profit & Loss Account		
Add: Current Service Cost	4.52	5.99
Add: Interest Cost	6.36	6.31
Less: Expected Return on Plan Assets	(5.35)	(5.07)
Less: Actuarial Gain/(Loss)	(8.30)	(5.85)
Total Expenses recognized in the Statement of Profit & Loss	(2.77)	1.38
E. Principal Actuarial Assumptions used		
Discounted Rate (per annum) Compound	7.40%	7.10%
Expected Rate of return on Plan Assets	7.40%	7.10%
Rate of Salary increase (per annum)	6.00%	6.00%



KAIZEN HOTELS & RESORTS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
25. FINANCE COST

Particulars	Amount Rs. In Lakhs	
	2022-23	2021-22
Interest on Term Loan from Bank	16.83	29.56
Interest on Other Borrowings	8.27	25.71
TOTAL -	25.10	55.27

26. OTHER EXPENSES

Particulars	Amount Rs. In Lakhs	
	2022-23	2021-22
Expenses on Apartment and Board	76.16	44.47
Crockery, Cutleries and Others	4.14	1.84
Linen and Laundry Expenses	12.76	10.10
Power, Fuel and Water Charges	104.17	84.77
Repair & Maintenance		
- On Building	21.35	34.52
- On Machinery	13.29	8.76
- On Other Items	7.04	3.15
Rent	18.07	18.24
Rates and Taxes	41.51	33.53
Printing and Stationary	11.36	6.88
Insurance	5.23	5.49
Travelling and Conveyance	5.63	2.12
Communication Charges	4.90	3.45
Auditors' Remuneration		
- Audit Fees	1.00	0.84
- Tax Audit Fees	0.50	0.24
- Other Services	0.90	1.55
Royalty & Commission	51.77	34.39
Professional and Technical Service Charges	29.55	11.27
Motor Car Upkeep and Car Hire Charges	9.61	4.60
Music & Concert	4.98	2.29
Advertisement and Publicity	8.37	3.60
Hiring Charges	21.64	24.32
Directors' Sitting Fees	8.75	1.90
Miscellaneous Expenses	2.32	2.91
TOTAL -	465.00	345.23

27. EARNING PER SHARE

Particulars	Figures in Lakhs	
	2022-23	2021-22
A. Net Profit/(Loss) after Tax for the Year	Rs. 133.32	Rs. 149.95
B. No. of Equity Shares for calculating Basic and Diluted Earning/Share	1.85	1.85
Earning per Share -	72.21/-	81.22/-



KAIZEN HOTELS & RESORTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

28. CAPITAL WORK IN PROGRESS

The Company is in the process of extension/renovation of the existing facility. Capital Work in Progress includes construction material, cost of equipments and other cost incurred for the same and expenses pending capitalization thereof. These will be allocated/appropriated to the fixed assets on the completion of the project. The details of these expenses are as follows:

Particulars	Amount Rs. In Lakhs	
	As on 31/03/2023	As on 31/03/2022
Consultancy Charges & Professional Fees	7.65	4.65
Interest and Other Finance Cost	-	-
Project Construction Expenses	5.48	5.48
Total Expenses Carried Forward pending allocation -	13.13	10.13

28.1. CWIP AGEING SCHEDULE AS ON 31/03/2023

(Amount Rs. in Lakhs)

PARTICULARS	Amount in CWIP for a period of				
	Less than 1 yr	1-2 Years	2-3 Years	More than 3 yr	Total
Projects in Progress (Extensive Renovation)	3.00	-	-	-	3.00
Projects Temporarily Suspended - New Banquet	-	-	-	10.13	10.13
TOTALS -	3.00	-	-	10.13	13.13

29. CAPITAL COMMITMENT

Particulars	Amount Rs. In Lakhs	
	As on 31/03/2023	As on 31/03/2022
For Acquiring of Real Estate Property	-	-
For Asset under Development (Including Intangible Assets)	-	-
For Acquiring of Other Assets of Capital Nature	2.99	-
TOTAL -	2.99	-

30. CONTINGENT LIABILITIES

Particulars	Amount Rs. In Lakhs	
	As on 31/03/2023	As on 31/03/2022
Claims against the Company not acknowledged as debts -		
(a). Disputed Service Tax claims on the Company relating to issues of applicability and classification including Interest thereon, where applicable.	9.61	9.61
(b). Disputed Income Tax claims on the Company relating to issues of disallowance and eligibility including Interest on claims, as applicable.	-	-
(c). Disputed Goods & Service Tax (GST) claims on the Company relating to short payment of GST including Interest on claims, as applicable.	16.10	-
TOTAL -	25.71	9.61

30.1. It is not practicable for the Company to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the above.

30.2. Regarding disputed Income Tax claim related to AY: 2020-21, the authority has realised all of it from the Income Tax refund receivable for the various AYs. Although the disputes are yet to be settled as the appeal filed by the Company against this very disputed demand is still pending.



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KAIZEN HOTELS & RESORTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

31. DISCLOSURE PERTAINING TO UNDISCLOSED INCOME

The Company has no transaction recorded in the books of accounts during the year or in the previous year that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Act).

32. DIVIDEND ON PREFERENCE AND EQUITY SHARES

Dividend on 7% Cumulative Non-Convertible Preference Shares is due at the year-end which is to be paid before paying out dividend to the Equity Shareholders. Details are as below:

Particulars	Amount Rs. in Lakhs	
	2022-23	2021-22
Preferential Dividend payable at the beginning of the year	56.00	28.00
Add: Dividend @7% on Preference Share Capital due for the year	28.00	28.00
Less: Preferential Dividend paid during the year	(56.00)	-
Preferential Dividend Due at the end of the Year -	28.00	56.00

32.1. The Company has not proposed any dividend to the Equity Shareholders for this year (and in the

33. EVENT OCCURRING AFTER BALANCE SHEET DATE

The Board of Directors in their meeting on 24/05/2023 has recommended a final dividend @10% of Equity Share Capital for the financial year ended 31/03/2023. This final dividend, if approved by shareholders, would result in a net cash outflow of **Rs. 18.46 Lakhs** (Previous Year NIL).

34. SEGMENT REPORTING

The Company is involved only in Hotel business and as such disclosure of Segment Information is not required under Accounting Standard 17 – 'Segment Reporting'.

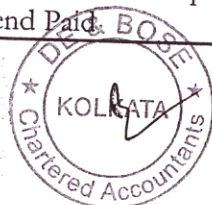
35. RELATED PARTY DISCLOSURE

(a). Related Parties in terms of AS 18 issued by ICAI for 'Related Party Disclosure':

Sl. No	Name of the Related Party	Relationship
1).	Shikha Holding Private Limited	Associate Company
2).	Bichitra Holding Private Limited	Associate Company
3).	The Peerless General Finance and Investment Company Limited	Group Enterprise
4).	Peerless Hotels Limited	Group Enterprise
5).	Peerless Financial Services Limited	Group Enterprise
6).	Peerless Hospitex Hospital and Research Center Limited	Group Enterprise

(b). Transactions during the Year:

Particulars	(Amount Rs. in Lakhs)			
	For the FY 2022-23		For the FY 2021-22	
	Associate	Group Ent.	Associate	Group Ent.
<u>Amount Received:</u>				
Sale of Services	-	-	-	0.90
Dividend Income	-	18.00	-	120.00
<u>Amount Paid:</u>				
Loan Repaid Back	30.00	130.00	10.00	160.00
Rent Paid	-	13.25	-	13.05
Royalty	-	12.67	-	-
Service Charges	-	16.49	-	-
Interest Expenses	1.63	6.64	3.88	21.83
Reimbursement of Expenses	-	3.08	-	7.39
Dividend Paid	37.39	-	-	-



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KAIZEN HOTELS & RESORTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(c). Balance at the Year end:

(Amount Rs. in Lakhs)

Particulars	As on 31/03/2023		As on 31/03/2022	
	Associate	Group Ent.	Associate	Group Ent.
Trade & Other Receivables	-	-	-	-
Outstanding Loan	-	-	(30.00)	(130.00)
Accrued Interest on Loan	-	-	-	(0.99)
Trade & Other Payables	-	(1.73)	-	(14.41)

36. ANALYTICAL RATIOS

Ratios	Numerator	Denominator	2022-23	2021-22	Variance %	Reason
1. Current Ratio	Cur. Assets	Cur. Liab.	1.82	0.96	89.61%	CL decreased
2. Debt Equity Ratio	Debts	Net Worth	0.06	0.22	-71.78%	Loan repaid
3. Debt Service Coverage Ratio	EBDT	Interest Exp	12.29	5.97	106.00%	Int. decreased
4. Return on Equity	PAT	Avg. NW	7.39%	8.87%	-16.68%	
5. Inventory Turnover Ratio	Cost of Goods Sold	Avg. Stock	16.21	25.76	-37.07%	Inventory increased
6. Trade Receivable Turnover Ratio	Sales	Avg. Debtors	16.70	16.64	0.35%	
7. Trade Payables Turnover Ratio	Purchases	Avg. Creditors	1.83	2.85	-35.75%	Creditors increased
8. Net Capital Turnover Ratio	Sales	Working Cap.	12.23	(36.21)	133.79%	WC increased
9. Net Profit Ratio	PAT	Sales	10.74%	14.65%	-26.71%	PAT decreased
10. Return on Capital Employed	EBIT	Cap. Empl.	10.12%	10.16%	-0.46%	
11. Return on Investment	PAT	Net Worth	7.23%	8.49%	-14.81%	

37. PREVIOUS YEAR'S PRESENTATION

Previous year's figures have been rearranged/regrouped wherever found necessary.

In terms of our Report of even date

FOR DE & BOSE

Chartered Accountants

Firm Registration No. 302175B

Sourav Nath

Sourav Nath (Partner)

Membership No. 069028

Date: 24/05/2023

Place Kolkata



For and on behalf of the Board of Directors

Prabal Basu

Prabal Basu

Director (DIN: 06414341)

Debasree Roy

Debasree Roy

Director (DIN: 00022218)

NR